STRONG TOWNS

Mission Accomplished

A Declaration of Victory on the National Interstate and Defense Highways Act and an Economic Vision for the Post-Expansion Era

Contents

1 Executive Summary

The United States set out in 1956 to build a unified, high-speed, limited-access highway network that would connect the nation, strengthen defense, and support commerce.

That mission was completed in 1992 with the final link of Interstate 70 through Glenwood Canyon. The Interstate era — one of the most ambitious and successful infrastructure projects in world history — achieved exactly what Congress and President Eisenhower envisioned: a national system that stitched together regions, opened new economic frontiers, and redefined American mobility.

But instead of winding down a finished program, Congress left the machinery of that achievement running. A federal transportation system designed for a clear, finite purpose was gradually transformed into a sprawling, permanent institution, one that now continues spending not because of any remaining national mission, but because the system has come to depend on its own momentum.

This white paper argues that it is time to declare the original mission accomplished, acknowledge the program's drift, and rebuild the federal transportation role around the needs of the 21st century rather than the habits of the 20th.

1.1 A Program That Outlived Its Purpose

Once the Interstate System was completed, the Highway Trust Fund — created as a disciplined, user-funded mechanism for building and maintaining the network — should have naturally transitioned into a long-term stewardship model. Instead, Congress expanded its uses.

Beginning in the 1970s, federal highway dollars were opened to mass transit, then to an ever-growing array of local projects: bus fleets, transit extensions, trails, mitigation programs, "livability" initiatives, and more. ISTEA (1991) formally declared the Interstate System complete but preserved the Trust Fund and reimagined it as a permanent intergovernmental transfer mechanism serving nearly any mobility-related goal.

Successive reauthorizations layered on new categories, formulas, mandates, and constituencies. Reform language — flexibility, innovation, sustainability, resilience — became the vocabulary used to justify expansion. By the 2000s, the system was no longer organized around a coherent national purpose but around perpetuating itself.

Today, USDOT is responsible for more than twenty national goals, many of them conflicting, none of them prioritized.

The result is a federal transportation program that functions procedurally but lacks strategic direction. Its defining output is not improved mobility, safety, or fiscal health; it is the continued movement of money.

1.2 The Collapse of the User-Pays Era

The original social contract of the Highway Trust Fund — drivers pay user fees, those fees build and maintain the system — has broken down entirely.

- The federal gas tax has been frozen since 1993.
- Revenue has eroded through inflation and increased fuel efficiency.
- Congress has quietly injected more than **$275 billion** in general-fund bailouts since 2008 to keep the Trust Fund solvent.
- Every state now receives substantially more federal transportation money than its residents contribute.

Despite this collapse, federal allocations continue to flow through legacy formulas disconnected from population, traffic volumes, or performance. Roughly 90% of Infrastructure Investment and Jobs Act (IIJA) surface-transportation dollars flow through these formulas, reinforcing the same incentives — particularly expansion — that created today's maintenance backlogs.

This is not a funding problem; it is a structural one. The federal program has lost the focus that once made it effective.

1.3 How Federal Incentives Distort State and Local Priorities

Because federal dollars must be spent quickly, and because match requirements reward large capital projects, state DOTs face powerful pressure to build rather than maintain.

The consequences are national. For example:

- Minnesota faces a multibillion-dollar bridge and pavement shortfall while federal incentives push the state toward expansion projects.
- California carries a road-maintenance backlog exceeding $100 billion even as federal funds accelerate capacity projects.
- Texas plans enormous expansion programs while maintenance needs grow faster than budgets.
- Pennsylvania acknowledges that its maintenance and expansion funding structures are "in direct conflict," a pattern echoed across the country.

Local governments feel the mismatch most acutely. Cities and counties find it difficult to decline federal money, yet the projects that qualify — large expansions, corridor reconstructions, interchange modernizations — often create decades of new maintenance obligations. Federal incentives push communities toward expensive, low-return projects that weaken their long-term fiscal sustainability.

At the national scale, this diversion of resources has profound opportunity costs. The labor, materials, engineering capacity, and fiscal bandwidth consumed by transportation expansion are the same resources needed for housing production, grid modernization, domestic manufacturing, and water infrastructure.

The United States cannot meet its central priorities while its largest capital program is structured around habits that no longer serve a national purpose.

1.4 A New Federal Approach: Interstate Stewardship by States

The path forward is not to reinvent the Interstate era but to complete it properly. That means replacing a finished construction program with a disciplined stewardship program.

This white paper proposes a new federal model built on five pillars:

1. **Re-codify a narrow federal mission.** Amend Titles 23 and 49 so USDOT focuses solely on:
    a. Interstate and multi-state freight corridors
    b. National safety standards and data
    c. Disaster response and resilience. All other transportation decisions belong to states and local communities.

2. **Return the gas tax to the states.** Pass nearly 100% of federal motor-fuel revenue directly to states for federal Interstate maintenance, governed by a straightforward Interstate Maintenance Performance Standard (IMPS). Rural states are protected through a hold-harmless floor; a national reserve supports emergencies.
3. **Light-touch federal oversight.** Replace thousands of grant requirements with one public Interstate Health Dashboard. Federal oversight shifts from micromanagement to transparent outcome auditing.
4. **Eliminate obsolete categories and mandates.** Sunset BUILD/RAISE-style discretionary grants, CMAQ expansion uses, and other legacy programs. End the federal mandate for MPOs. Streamline NEPA for routine maintenance.
5. **Retain essential federal public goods.** USDOT continues to support national research, standard-setting, data systems, and emergency response capacity.

Within five years, this approach would produce a transportation program that is smaller, more focused, more flexible, and more accountable than at any point since 1956. States and local governments would gain greater autonomy, fewer administrative burdens, and incentives aligned with long-term solvency and public value.

1.5 Conclusion

The Interstate construction mission succeeded. Its afterlife did not.

To continue treating a completed national project as an open-ended obligation is fiscally irresponsible, strategically incoherent, and harmful to America's pressing needs. The time has come to acknowledge the great achievement of America's Interstate System, end the inertia that has defined its completion, and rebuild the federal transportation program into a focused steward of true national infrastructure.

Mission accomplished. Now let us build the next era with purpose.

2 Completing the Mission (and beyond)

2.1 The Founding Vision

In the aftermath of World War II, America's highways were a patchwork of aging roads and inadequate bridges, ill-equipped for the demands of growing commerce, suburban expansion, and strategic defense. President Dwight D. Eisenhower, having witnessed the transformative power of Germany's autobahns during the war (and recalling his own arduous 1919 cross-country Army convoy), crystallized a bold national goal: a high-speed, limited-access highway network to bind the country together.[1]

On June 29, 1956, Congress answered that call by passing the Federal-Aid Highway Act of 1956, formally titled "An Act to amend and supplement the Federal-Aid Road Act approved July 11, 1916... to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes."[2] Its centerpiece, Title I, declared the creation of the National System of Interstate and Defense Highways, with a clear mandate: complete roughly 41,000 miles of interstate roadway "as nearly as practicable over a thirteen-year period," transforming the country's mobility and bolstering national security.

To fund this unprecedented program, Congress established the Highway Trust Fund, a dedicated revenue stream sourced from new taxes on gasoline, heavy-vehicle tires, and commercial trucking. By tying user fees directly to construction and maintenance, the Act insulated the interstate project from the annual budget battles that had hobbled previous highway efforts. Appropriations were precisely apportioned — 45 percent for primary routes, 30 percent for secondary highways, and 25 percent for urban extensions — with unspent funds lapsing after two years. This design ensured rigor in planning and execution: states had both the incentive and the deadline to negotiate agreements with the federal government and break ground swiftly.

The 1956 legislation was revolutionary not only in scale — authorizing some $25 billion through 1969 — but in its clarity. It set a finite, self-contained mission: build a unified network that would serve defense, streamline commerce, and link rural America to thriving urban centers.

That clarity of vision and discipline of funding made the Interstate System one of the greatest public-works achievements in U.S. history.

2.2 Substantial Completion

By the early 1970s, roughly three-quarters (about 30,000 miles) of the planned 41,000-mile Interstate network was already open to traffic, carrying soldiers, schoolchildren, and semis alike at speeds and safety levels unheard of just two decades earlier.[3] In that decade's second half,

state highway engineers and FHWA teams concentrated on the most daunting segments: weaving multilane interchanges through dense urban cores, spanning wide rivers, and blasting roads through remote mountain passes. Each of these "last mile" projects demanded years of advanced planning, community negotiation, and technical ingenuity.

Those final engineering challenges came into sharp relief with two watershed moments. In 1991, Idaho celebrated the last coast-to-coast link of I-90; yet it was the ribbon-cutting on October 14, 1992, for the 12.5-mile stretch of Interstate 70 through Glenwood Canyon that truly symbolized completion.[4]

Carved by the Colorado River, Glenwood Canyon seemed impenetrable until crews threaded concrete viaducts and bridges along sheer rock walls, bored twin tunnels and laid concrete road decks using a 350-foot erection gantry imported from France. The project's $490 million price tag in 1992 dollars (nearly $930 million today) and its pioneering techniques earned it more than 30 industry awards, including the American Society of Civil Engineering's (ASCE) 1993 Outstanding Civil Engineering Achievement Award.

Remarkably, no new statute, presidential proclamation, or executive memo was required to declare "substantial completion" of the interstate highway system. Instead, the occasion was marked by ceremonial ribbon-cuttings, speeches from FHWA and state officials, and extensive media coverage. The achievement was later affirmed in FHWA histories and ASCE retrospectives.

The Glenwood Canyon opening stood as the capstone of a finite, 35-year national mission. Yet, as engineers toasted the final mile, there was no sunset clause for the program, no mechanism to wind down appropriations, and no roadmap to decommission the interstate construction apparatus.

2.3 Mission Creep

In the early 1970s, mayors and governors began petitioning Washington to use leftover highway funds for local transit operations, bus fleets, and subway extensions. Urban members of Congress, backed by the Nixon administration, supported the shift.[5] A new political reality — marked by congestion, urban decline, and energy shocks — made "flexibility" the new buzzword in transportation policy.

Congress responded with the Federal-Aid Highway Act of 1973, a seemingly routine reauthorization that quietly broke the seal on the Highway Trust Fund.[6] For the first time, states and cities were allowed to divert a portion of their federal highway apportionments — up to ten percent — toward mass transit. Originally an emergency allowance, it quickly expanded into routine practice, eliminating the already blurry line between interstate construction and urban mobility.

That logic was expanded and codified in the Surface Transportation Assistance Act of 1982, which split the Trust Fund into two accounts — one for highways, one for mass transit — and raised the gas tax for both.[7] The program evolved into a fiscal structure blending misaligned missions: national mobility and local accessibility, system expansion and urban maintenance. The disciplined national enterprise that had built the Interstate System had now become a negotiated balancing act among interests as diverse as rural trucking, metropolitan transit, air quality, and bicycle infrastructure.

Two decades later, the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 completed the transformation.[8] ISTEA declared the system complete but repurposed the Trust Fund into a permanent intergovernmental transfer mechanism with hundreds of eligible categories.

Under ISTEA, Metropolitan Planning Organizations (MPOs) were elevated to formal gatekeepers of project selection in every urbanized area over 50,000 people. Congestion Mitigation and Air Quality (CMAQ) programs tied transportation dollars to environmental goals. Surface transportation funds could now be used for transit facilities, bicycle paths, pedestrian walkways, recreational trails, wetlands mitigation, and historic preservation.

The 1991 act was celebrated as visionary, yet in many ways it marked the end of vision. By folding everything into a single programmatic structure — interstate maintenance, mass transit, scenic byways — the federal government blurred the distinction between infrastructure as a tool of national purpose and infrastructure as a permanent category of domestic spending.

By the close of the 20th century, the great project that had once bound engineers, policymakers, and the public around a clear national objective had been replaced by a bureaucracy managing an unbounded agenda. The Highway Trust Fund — originally a closed, user-supported account tied to a finite construction program — had become a perpetual revenue source for nearly any surface transportation project that could be justified under the broad banner of "mobility."

2.4 Reform in Name, Expansion in Practice

By the end of the 1990s, Congressional authorizations for transportation became an exercise in ritualized reform. Every six years, Congress would lament the program's complexity, promise to streamline it, and then pass a reauthorization that made it more complex than before.

The Transportation Equity Act for the 21st Century (TEA-21) of 1998 was the first of these "modern" reauthorizations.[9] Its sponsors declared that it would usher in a new era of *performance-based planning and flexible federalism*. In practice, it merely repackaged the post-ISTEA structure and added still more eligible programs, everything from historic covered-bridge preservation to magnetic-levitation rail prototypes.

TEA-21 introduced "minimum guarantees" to ensure every state a baseline return on its gas-tax

contributions, locking in apportionment formulas that favored political equity over national purpose. Far from simplifying the system, it entrenched a culture of permanent entitlement with each state expecting a fixed slice, regardless of performance or need.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005 repeated the pattern, but on a grander scale.[10] Its table of contents alone ran for pages, authorizing dozens of new programs: *Safe Routes to School, Transportation, Community and System Preservation, Highways for LIFE, Delta Region Transportation Development,* and more.

SAFETEA-LU added thousands of earmarks (6,000+), transforming the highway program into a national wish list. While the act's title invoked accountability and flexibility, its core mechanism remained unchanged: formula apportionments from an insolvent Highway Trust Fund, now splintered across hundreds of categories.

After the 2008 financial crisis, the 2012 Moving Ahead for Progress in the 21st Century Act (MAP-21) promised a reset.[11] It introduced "performance-based management" and consolidated programs, but these reforms focused on procedural reporting, not fiscal discipline.

The act's authors spoke of *streamlining environmental review and accelerating project delivery*, but in practice it institutionalized process rather than outcome. For example, each state was required to set its own safety and congestion targets, yet no penalty existed for failure to meet them. MAP-21 was, as one congressional summary admitted, "the first step" toward performance, but there was never a step beyond it, planned or even imagined.

The 2015 Fixing America's Surface Transportation Act (FAST Act) extended the collection of programs yet again, adding new grants for *freight corridors*, *resilience*, and *innovative financing*.[12] The rhetoric shifted from mobility to "multimodalism" and "sustainability," but the underlying structure — a federal gas tax topped off with borrowed money, all redistributed through formulas and discretionary grants — remained untouched.

The FAST Act preserved every major account, funded every legacy program, and created new ones to match the themes of the moment. Even as the Trust Fund required tens of billions in general-fund bailouts, Congress declared success and moved on to the next reauthorization cycle.

Throughout, the TIGER grants (later BUILD, now RAISE) became emblematic of this new era. Created in 2009 as a one-time stimulus measure, the program soon evolved into a permanent, competitive showcase.[13] Cities and states hired consultants and lobbyists to package applications that were part engineering study, part marketing brochure. Awards went to projects of every kind — highway interchanges, light-rail lines, riverfront promenades, downtown streetscapes — each celebrated as a national investment.

Without clear, consistently applied criteria beyond narrative appeal, TIGER institutionalized the idea that any project, anywhere, could be federal if it was well-branded.

In the 21st Century, transportation "reform" has become the public-relations strategy of an expansion agenda. Each new act of Congress arrived wrapped in the language of accountability and innovation, but the function was always the same: to renew consensus around an ever-growing program. The talk of performance metrics, sustainability, and streamlining served as a kind of propaganda, the moral vocabulary that allowed a broad coalition of engineers, environmentalists, contractors, unions, and local officials to join together and keep pulling in the same direction.

Behind the façade of reform, the physical program never stopped expanding. Billions in "flexible" federal funds continued to pour into projects that added lanes, widened interchanges, and extended highways, work justified less by demand than by opportunity.

Because the money came from Washington, every project seemed necessary; every widening was rebranded as safety, resilience, or congestion relief. Locals called it "getting our share," and the result was a steady accumulation of small, costly projects that produced little lasting value beyond mere short bursts of local convenience paid for with national debt.

This is the quiet genius of the modern transportation program: its capacity to appear endlessly reformable while remaining structurally expansionist. What began in the 1950s as a time-limited national project has become a self-perpetuating machine that sustains itself by promising to improve the very system it exists to enlarge.

2.5 The Culmination of Mission Creep, The Infrastructure Investment and Jobs Act

By the time the Infrastructure Investment and Jobs Act (IIJA) passed in 2021, the federal transportation program had long since ceased to be a tool of national purpose. What began as a decisive project to connect the continent had evolved into an elaborate mechanism for spending money in the name of progress. The IIJA did not correct this trajectory; it perfected it.

The White House heralded the law's precursor, the *American Jobs Plan*, as the largest public investment since the Interstate era, "an investment in America that will create millions of good jobs."[14] The rhetoric was grand, even moral: a promise to "reimagine and rebuild" the economy, to fight climate change, to redress inequality, to out-compete China. Infrastructure, once the means to a strategic end, was recast as a virtue in itself. The act of passing a spending bill became the accomplishment.

Beneath that rhetoric, the structure of the IIJA tells a different story. Roughly 90 percent of its surface-transportation funding flows through the same formula apportionments that have guided federal aid since 1956.[15] The law extended the Highway Trust Fund through 2026 and reauthorized every major program — National Highway Performance, Surface Transportation Block Grants, Highway Safety Improvement, Congestion Mitigation and Air Quality, Freight Programs, and the new Carbon Reduction and PROTECT "resilience" grants — without altering the underlying incentives. Every dollar still arrives through the state DOTs, still measured in

lane-miles, still geared to expansion.

Even the new "Bridge Investment Program," advertised as a repair initiative, defines success in terms of bringing bridges up to current geometric design and traffic-capacity standards. In practice, that means rebuilding and widening, not right-sizing or preserving. The same logic governs the Carbon Reduction and Congestion Relief programs, where emission and safety objectives quietly fold back into projects that move more cars, faster.

Only a sliver of the law's total — less than 10 percent — is truly discretionary. The handful of competitive programs created or continued under the act, from Rural Surface Transportation Grants to Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation Program (PROTECT) to the EV Charging Infrastructure initiative, are dwarfed by the torrent of formula expansion dollars. Congress and the administration spoke of innovation, but the statute hard-wired continuity.

The IIJA's real innovation lies not in what it funds but in how it frames that spending. Every moral and political cause — climate, equity, competitiveness, safety — became an eligible category of infrastructure. The law merely rebranded the same old expansion programs as solutions to problems they helped create.

Safety became a spending line, not a design discipline; resilience a grant opportunity, not a constraint. Even the "Reconnecting Communities" initiative to undo the harms of the original Interstate era was financed through the same structure that caused them: a symbolic act nested inside the very system it aimed to reform.

The IIJA is thus not a break with the past but its culmination, the moment the federal infrastructure program fully merged its rhetoric of reform with the reality of continual expansion. It is the bureaucratic afterlife of a completed mission, kept alive by the conviction that more money must mean more progress.

Having lost its focus, the system now sustains itself by multiplying its purposes. The result is a national transportation policy that mistakes motion for direction and equates accomplishment with appropriation.

2.6 Summary: Declaring Mission Accomplished

The United States set out to build a continental highway system, and we did. We accomplished that mission, decisively, efficiently, and on a scale unmatched in our history.

But, instead of stepping back to ask what came next, we left the machinery of that achievement running. The program that built the Interstate became the program that must never end. Each generation repackaged the program — modernization, sustainability, competitiveness — without changing its incentives.

The Infrastructure Investment and Jobs Act is the ultimate expression of that drift: a celebration of infrastructure for infrastructure's sake. It speaks the language of renewal while refusing to confront the consequences of excess. It seeks to "undo the damage" with the same tools that caused it, assuming that with enough spending and new rhetoric, the system can somehow fix itself.

This is the point at which a serious nation would pause. The Interstate system is complete. The Highway Trust Fund is beyond exhausted. The needs of the 21st century — maintenance, safety, local productivity, fiscal balance — are not served by doubling down on 20th-century habits.

Declaring the mission complete is not retreat; it is a recognition of reality. It means proudly acknowledging success where it truly existed while freeing ourselves from the inertia that followed. It means admitting that a program designed for a finite purpose has heroically accomplished that purpose, yet has now become a self-justifying enterprise, a bureaucracy that expands to fill the space available to it. And it means asking, with clear eyes, what federal transportation policy should do now that the work of building a national network is complete.

Until we do that, we will remain trapped in a paradox of our own making: a nation proud of its accomplishments, yet unable to move beyond them to focus on more urgent and productive pursuits.

3 Operating Without a Meaningful Purpose

3.1 When a Program Loses Its Stop Condition

Every successful project has a stop condition: a clear signal that the work is done and the machinery can shut down. The Interstate Highway System had one. The federal transportation program did not.

By 1992, the physical task was complete. What remained was not a mission but an apparatus — funding formulas, committees, professional norms, and political expectations — that had no built-in way to power down. The system had been optimized for throughput, not completion.[4]

Once the original goal disappeared, the program adapted exactly as large institutions do when their purpose ends: it redefined success in procedural terms. Money obligated replaced miles completed. Program continuity replaced national necessity. The question ceased to be *What problem are we solving?* and became *How do we keep the program running?*

This shift didn't require conspiracy or bad faith. It followed naturally from the structure. Federal transportation policy rewards spending volume, not problem resolution. Agencies are evaluated on obligation rates. State DOTs are judged on delivery speed. Consultants and contractors are retained based on project flow. Members of Congress earn credit for announcements, not abstention. In this environment, restraint is indistinguishable from failure.

Over time, the system developed a reflexive logic:

- If money exists, it must be spent.
- If a category exists, it must be filled.
- If a problem emerges, it must justify a new program rather than question the old one.

This is how a finite construction effort became a permanent institution. Not because anyone decided to keep building forever, but because the program lost its stopping rule and replaced purpose with motion.

By the late 1990s, federal transportation no longer functioned as a strategy. It functioned as a circulation system, moving money predictably, broadly, and continuously, regardless of outcomes. The Interstate may have been finished, but the machine that built it had learned how to survive without it.

3.2 Too Many Goals, No Clear Purpose

As the federal program expanded, Congress tried to impose order by enumerating national goals. What emerged instead was a catalog of aspirations so numerous and contradictory that it

erased any sense of hierarchy or direction.

Under Title 23[16] and Title 49[17], the Department of Transportation is now tasked with pursuing more than twenty separate "national goals," including:

- safety,
- infrastructure condition,
- congestion reduction,
- system reliability,
- freight movement and economic vitality,
- environmental sustainability,
- reduced project delivery delay,
- resiliency and storm-water management,
- carbon-emission reduction,
- accessibility and mobility for people and freight,
- integration of land use and transportation,
- preservation of rights-of-way,
- equitable access for disadvantaged populations,
- innovation and technology deployment,
- livability and community quality of life,
- support for national defense,
- energy efficiency,
- workforce development,
- coordination with housing and economic-development plans, and
- enhancement of historic, scenic, and recreational resources.

The list reads less like a strategy than a wish book. Each goal sounds reasonable in isolation; together they form a policy that cannot decide what it is trying to accomplish.

Some goals flatly contradict others. The call to "reduce congestion and improve system performance" demands smoother, faster traffic flow, usually through widening and new construction. The simultaneous mandate to "reduce emissions and protect environmental quality" discourages that very expansion. The requirement to "streamline project delivery" through shorter environmental reviews conflicts with the instruction to ensure "meaningful public participation" and "equitable outcomes."

Because Congress has never ranked or reconciled these objectives, agencies pick and choose

what to prioritize. Every project imaginable can therefore be justified under at least one heading: a new interchange qualifies as congestion relief, a transit extension as carbon reduction, a roundabout as safety, and a riverfront trail as livability. The performance-management framework established under MAP-21 and expanded by later acts only reinforced this ambiguity, requiring states to report on dozens of metrics but imposing no consequence for failure to meet any of them.[11]

The result is a national transportation policy that promises everything and measures nothing. Instead of clarifying priorities, Congress built a system that multiplies them, allowing every constituency to claim victory and no one to take responsibility.

By trying to please everyone, the federal transportation program lost the one thing that once made it effective: focus.

3.3 Bureaucracy for Its Own Sake

Metropolitan Planning Organizations (MPOs) weren't born out of love for regional democracy; they were born as a condition. In 1962, Congress told urban areas over 50,000 people: no federal highway money unless you plan "continuously, comprehensively, and cooperatively."[18] The famous 3C rule was meant to stop waste and force coordination. What it actually created was a gatekeeping layer that could certify process without ever owning outcomes.

Over the decades, Congress piled on mandates: NEPA and air-quality conformity, congestion management, freight, equity, climate, "complete streets," resilience. Each reauthorization added a new box to check. MPOs now produce thousand-page long-range plans and TIPs, laden with performance measures and modeling. Even so, actual power over money and design remains with state DOTs. In most regions, the MPO's central job is to prove the paperwork is in order so federal dollars can keep flowing.

The governance makes this drift inevitable. Boards are dominated by elected officials from low-density jurisdictions; in the median MPO, 97% of board members are homeowners. About 88% of members drive to meetings, and in more than half of boards, every member drives. That sociology predicts the policy: road widening and capacity projects get preference over maintenance, transit, or street retrofit.[19]

The Center for American Progress traces the intent behind MPOs — give urban voices real weight — and shows how reality diverged. In Texas, where the stakes are clearest, board apportionment underrepresents the urban core and tilts spending toward highways:

- **Houston** (**H-GAC**)**:** Harris County holds ~64% of the population but about a quarter of board seats; the 2023–26 TIP directs ~89% to highways and ~11% to transit. Voters responded with **Proposition B**, demanding population-proportional board votes, or withdrawal.

- **Austin (CAMPO):** Travis County is ~54% of the region but holds ~45% of board seats; ~92% of planned spending goes to highways, ~8% to transit, at odds with the city's own mode-shift goals.
- **Dallas–Fort Worth (NCTCOG):** Dallas + Tarrant counties are ~58% of population but ~47% of seats; planned spending is ~92% highways, ~8% transit.
- **San Antonio (AAMPO):** The outlier—Bexar County is closer to proportional representation and the TIP devotes ~26% to transit/walking/biking. When the core has voice, the modal balance shifts.[19]

This isn't conspiratorial; it's structural. MPOs were designed to enforce compliance, not to set priorities; their boards reflect the people most likely to win local office and drive to work; and the federal programs they administer reward shovel-ready expansion over care. The result is a process that is both technocratic and unaccountable: the MPO can't build a bridge on its own, but no bridge can be built without its blessing. The 3C process no longer coordinates; it constrains. It keeps money moving and responsibility diffuse. In theory, the MPO bridges federal authority and local democracy. In practice, it's the toll booth.

3.4 Political Grantmaking Disguised as Policy

If the MPO system institutionalized bureaucracy, the discretionary grant system institutionalized theater. The programs that followed — TIGER, BUILD, RAISE, SMART, Reconnecting Communities — were marketed as antidotes to formula inertia, a way to reward creativity and fix what the old program ignored. In reality, they became a new layer of politics atop the same machinery.

The story begins in 2009, when the American Recovery and Reinvestment Act created the Transportation Investment Generating Economic Recovery (TIGER) program.[20] The pitch was compelling: merit-based, multimodal competition that would fund the most transformative ideas in infrastructure. But the merit was always in the eye of the grant reviewer. Within two years, TIGER grants had gone to a mix of freeway interchanges, freight corridors, downtown streetscapes, and "complete streets" retrofits, each celebrated as proof of innovation, even when largely indistinguishable from the status quo.

When Congress rebranded TIGER as BUILD under the first Trump administration and then RAISE under Biden, the logic stayed the same: competitive, discretionary, and rhetorically elevated.[21] Every administration could now claim its own moral frame — "innovation," "opportunity," "reconnection" — while continuing to use the same discretionary pipeline. The result was a bipartisan consensus on performance art: mayors hired consultants to craft glossy proposals, state DOTs reworded routine projects as "multimodal," and the winners were the ones who mastered the vocabulary of the moment.

The system rewards presentation, not performance. Winning projects are selected as much for

narrative polish and political appeal as for measurable outcomes. Technical staff design the slides, but congressional delegations do the lobbying. There are "innovation" awards for reconstructing rural bridges, "climate resilience" funds for expanding flood-prone highways, "equity" grants for parking-deck demolitions that make way for new garages. Every political coalition finds something to celebrate.

This is not corruption; it's evolution. When every constituency must be satisfied and no clear mission remains, discretionary grantmaking becomes the only way to create the illusion of discernment. The grant competition transforms allocation into performance, turning public administration into a rolling campaign of announcements, ribbon-cuttings, and press releases.

In the end, these grants do not solve the contradictions of the federal transportation program; they dramatize them. They allow every administration to speak the language of reform while reinforcing the culture of status-quo spending. The projects may differ in scale and branding, but the underlying pattern is identical: discretionary grants as political theater, celebrating vision while underwriting the inertia of expansion.

The promise of innovation has become a choreography of self-congratulation, a federal ritual that spends billions not to fix a system, but to keep it looking busy.

3.5 Endless Justification of Expansion

Once a nation builds a machine to move money, the machine must keep moving. The federal transportation program has reached that stage of institutional self-preservation: it exists not to meet demand, but to justify its own continuation.

At the professional level, the incentives are structural. State DOTs, consulting firms, and engineering departments are funded, staffed, and evaluated by project throughput. Success is measured in lane-miles added, dollars obligated, or contracts delivered, never in maintenance deferred or travel reduced. Performance reviews and promotions hinge on getting projects "out the door." When the metric of achievement is spending, every slowdown looks like failure and every expansion looks like progress.

The planning tools reinforce the same logic. Traffic models are built to forecast growth, and because they assume that yesterday's expansion will produce tomorrow's travel, they always validate more capacity. Congestion models assume that speed equals efficiency, so adding lanes always looks beneficial, even when history shows the opposite. Benefit-cost analyses, drawn from these assumptions, produce circular proof: the system justifies itself through its own projections.

The political economy of expansion fills in the rest. Local governments see federal funds as windfalls, money that must be captured before another jurisdiction gets it. State legislatures protect their apportionments like birthrights. Engineering firms and contractors, whose

livelihoods depend on continuous work, lobby for reauthorizations that promise "predictability." And members of Congress have every incentive to maintain the cycle: ribbon-cuttings and groundbreakings are visible success stories while basic maintenance is experienced as an annoyance.

Even the rhetoric of "reform" has become a mode of expansion. Every reauthorization arrives wrapped in language of efficiency, sustainability, or resilience. But the content — billions more in authorized outlays, new categories, new formulas — rarely changes the direction of flow. "Fix-it-first" policies coexist with record spending on new interchanges. "Climate resilience" funds pay for elevated highways. "Equity" programs finance road widenings through communities of color. Each new purpose legitimizes the next wave of building.

Within this culture, prudence becomes a liability. Engineers who propose maintenance over expansion are accused of lacking vision. Elected officials who delay projects are told they're leaving money on the table. The system punishes humility; it prizes activity. The outcome is a quiet inversion of values: safety plans that widen dangerous roads, economic-development programs that subsidize endless sprawl, and maintenance budgets that shrink with every "investment."

Because problems created by expansion justify more expansion, failure becomes proof of the need for more funding. Congestion becomes justification for widening. Maintenance backlogs justify new appropriations. Climate impacts justify "resilient" reconstruction. Each consequence of past spending feeds the rationale for more of the same. The machine never stops because its output — spending — is also its input: proof of purpose.

At this point, expansion is not a strategy but a reflex. It persists not because anyone has chosen it consciously, but because every lever of policy, profession, and politics points in the same direction. The system runs on the belief that doing more must be doing better, that the next project will finally fix what the last one made worse.

The truth is simpler and harder: a transportation program built for a finite national mission has become an unbounded mechanism of self-perpetuation, an undertaking whose primary purpose is to justify its own existence.

3.6 Summary: No Discernable Mission

By the early twenty-first century, the federal transportation program had become the rarest of government institutions: one that functioned perfectly without knowing why. Its processes remained intact — plans, authorizations, environmental reviews, formula apportionments, grant competitions — but the animating purpose behind them had long since dissolved.

The original Interstate era had offered a clear, measurable mission: connect the nation with a unified network of highways. When that task ended, the machinery remained, running on

procedural momentum. Congress still passed five-year reauthorizations; state DOTs still produced long-range plans; MPOs still modeled demand and distributed funds. But these actions no longer served a strategy; they served continuity.

Public purpose had been replaced by process. The system kept its rituals — hearings, formulas, press releases — but lost its focus. Every dollar appropriated was success by definition, every project announced proof that the system still mattered. Reform rhetoric became the lingua franca of inertia: "efficiency," "innovation," "accountability," and "resilience" served as justifications for keeping the wheels spinning.

Within USDOT, the transformation was complete. Hundreds of programs now coexist under the same roof: highway performance, bridge investment, transit modernization, safety, resilience, equity, freight, climate, electric vehicles, broadband. Each one has a champion, a constituency, a set of guidance memos, and an annual scorecard. None has the power to set priorities. The department has become a custodian of funding streams, not a steward of a national purpose.

At the state and local levels, the machine has learned to survive by imitation. DOTs compete for discretionary grants, rewrite their press releases to match federal themes, and rebrand ordinary construction as innovation. MPOs generate the appearance of deliberation through performance dashboards and equity frameworks while approving the same highway widenings their predecessors endorsed. The language changes; the projects do not.

This is what it means to operate without a meaningful purpose. Not to collapse or fail, but to persist in motion after direction is lost. To mistake habit for strategy, procedure for progress. It is a bureaucracy sustained by momentum rather than mission. Every actor can claim success while the system as a whole drifts further from coherence.

The great national project that once united Americans around shared infrastructure objectives has become a vast administrative engine that measures output in dollars spent, not outcomes achieved.

What remains is an apparatus that consumes political capital, material resources, and professional talent without advancing a clear national interest.

It is, in the truest sense, a program still running long after it stopped making sense.

4 The Cost of Misplaced Priorities

4.1 The Original Social Contract

When Congress created the Highway Trust Fund in 1956, it offered Americans a powerful moral bargain: drivers would pay dedicated fuel taxes, and those taxes would build and maintain the national highway network.[2] The user would fund the system, the system would serve the user, and politicians could point to a self-contained enterprise immune from the usual budgetary horse-trading.[22]

This "user-pays, user-benefits" formula was never pure economics; it was also good politics. To that point, federal gas taxes, starting with the Revenue Act of 1932, had been enacted as general-revenue measures to balance the budget, not to pave roads.[23]

Highway boosters in the 1950s transformed the gas tax into a moral covenant. They successfully argued that motorists deserved to see their money returned in the form of pavement. The Trust Fund thus became a compact of trust rather than a market exchange: a closed loop between taxpayers and tangible progress.

For nearly two decades, it worked as advertised.[24] Revenues flowed steadily, the Interstate system took shape, and federal engineers could claim to be running the nation's only self-financing public-works program. But built into that success was a hidden fragility. Once the Interstates neared completion, the Fund would either need to wind down or find new missions to justify its existence.

4.2 The Slow Erosion of Purpose

By the early 1970s, the cracks began to show. Energy shocks, urban decline, and inflation pushed Congress to "flex" highway money into other purposes. The Federal-Aid Highway Act of 1973 allowed up to 10 percent of apportionments to support mass transit, an emergency measure that soon became precedent.[6]

The Surface Transportation Assistance Act of 1982 institutionalized that shift, splitting the Fund into a *Highway Account* and a *Mass Transit Account* and raising the gas tax by five cents, one cent of which went to transit.[7] The 1982 act was portrayed as pragmatic flexibility, but it transformed the Fund's nature.

What had been a single-purpose trust became a multipurpose revenue pool serving highways, buses, subways, ferries, and later, bike paths, sidewalks and even wetlands mitigation. The Fund no longer measured output in completed miles of highway but in appeased constituencies.

Throughout the 1980s and 1990s, reauthorizations layered on new programs and guarantees. Congress replaced technical formulas based on need or traffic with "minimum returns" that

assured each state a fixed percentage of total spending regardless of performance or population.

According to the Congressional Research Service (CRS), Congress replaced need-based formulas with minimum-return guarantees, eventually freezing every state's share at its FY2012 level. The Fund ceased to allocate money according to purpose or need; it merely recycled it, dividing each new appropriation among an ever-expanding catalog of programs, constituencies, and symbolic priorities.[24]

4.3 The Death of the User-Pays Era

The concept of user-pay fully collapsed in 2008. When the housing crash shrank driving and fuel consumption, gas-tax revenues plunged. Congress quietly transferred $8 billion from the general fund to keep the Highway Trust Fund solvent, the first "bailout" in its history. It was followed by eight more, totaling over $275 billion. This funding gap is more than the entire cost of the 2005 SAFETEA-LU Act.[25]

What had been originally sold as a self-financing system now requires massive ongoing subsidies from taxpayers, even those who might never buy a gallon of gasoline. The user-pays principle has effectively collapsed.

Three structural forces sealed its fate, each one a slow erosion of the very discipline that once defined the program:

- **The frozen gas tax.** Set at 18.4 cents per gallon in 1993, it has lost more than 40 percent of its value to inflation and efficiency gains. Electric vehicles pay nothing, hybrids pay less, and construction costs have historically risen far faster than revenue.
- **The structural imbalance.** Each reauthorization — MAP-21, FAST Act, IIJA — committed to spend tens of billions more than the tax brings in, with deficits projected to hit $40 billion per year by 2027.[25]
- **Universal dependence.** Because of the bailouts, every state now receives more federal transportation money than its residents contribute at the pump. The donor-state/donee-state debate has vanished; everyone is now on subsidy.[26]

In theory, trust funds enforce discipline: spend only what users pay. In practice, the Highway Trust Fund now enforces the opposite. It guarantees perpetual growth because any reduction in spending would expose the fiction of an actual "trust fund."

The CRS finds that nearly nine-tenths of IIJA funding flows automatically through formulas that bear no relation to population, lane miles, or traffic volumes.[24] The Fund has become a distribution mechanism divorced from purpose, a political entitlement disguised as infrastructure finance.

The "trust" remains in name only. The program endures not because it works, but because no one has the political courage to declare it finished.

4.4 Competing National Priorities

Both political parties agree on one thing: America faces an overwhelming list of needs.

Democrats speak of rebuilding the middle class through investments in housing, clean energy, broadband, and climate resilience. Republicans call for restoring manufacturing strength, rebuilding domestic industry, modernizing critical infrastructure, and securing energy independence. Each side describes an ambitious national project, one rooted in the same aspiration that built the Interstate System: to renew America's capacity to build.

Yet for all their differences, the parties now share a common obstacle: a federal transportation program that consumes an outsized share of the nation's fiscal, material, and human resources. The Highway Trust Fund, once a closed loop between motorists and roads, has become a general revenue pipeline, drawing on all taxpayers while crowding out other priorities that command broader and more urgent consensus.

Every year, roughly $70 billion in federal transportation dollars flow automatically to the states through formulas that have not been seriously revisited since the early 1990s.[24] Those dollars arrive pre-committed, insulated from debate, and often untouchable even in the face of new national imperatives.

At a time when both parties agree the country must rebuild its energy grid, expand housing supply, and re-shore essential manufacturing, the federal government continues to direct enormous quantities of concrete, steel, and skilled labor toward transportation projects that add little lasting value.

The tradeoffs are not abstract. The same structural-iron crews that could be fabricating transmission towers for an energy build-out are pouring rebar for interchange expansions. The same engineers needed to design new factories are redesigning interchanges to handle slightly faster traffic flows. The same state bond capacity that could support housing or clean water or a myriad of other local priorities is leveraged instead for matching funds on federally subsidized road projects.

Even materials themselves — aggregate, asphalt, concrete, steel — are increasingly scarce and expensive, with transportation expansion driving up costs for every other form of public investment.[27]

At a fiscal level, the pattern is identical. Every dollar that props up an insolvent Highway Trust Fund is a dollar not available for deficit reduction, grid modernization, or community resilience. Both parties speak of fiscal responsibility, yet neither has been willing to let go of the illusion that perpetual highway funding represents positive public investment.

In truth, it represents opportunity cost on a national scale: billions of dollars and millions of work-hours devoted to the continuation of a program that no longer advances the country's urgent objectives.

The result is a kind of national cognitive dissonance. We say we need affordable housing, domestic energy security, and a resilient grid, but we continue to pour resources into a transportation system that delivers diminishing returns. We call for innovation while clinging to the least innovative program in the federal budget. And we treat "infrastructure investment" as a moral imperative without asking whether the next dollar of asphalt is worth more than the next megawatt, the next dwelling unit, or the next semiconductor plant.

If the Interstate era once defined national ambition, today it defines inertia. Both parties have the rhetoric of renewal; neither has yet confronted the reality that our existing transportation commitments are quietly consuming the capacity to meet every other priority we have. Until we reckon with that tradeoff — of money, materials, and human effort — the United States will continue to fund the past at the expense of the future.

4.5 Overloading the States: How Federal Incentives Distort Local Choices

The breakdown of the Highway Trust Fund's purpose has not merely warped federal priorities; it has rewritten the logic of state transportation policy. What once rewarded prudence and maintenance now punishes it. States are deluged with federal dollars that must be spent quickly — on projects large enough to absorb them — within eligibility rules that privilege construction over care.

The result is a quiet tragedy repeated in every Department of Transportation headquarters across the country: a backlog of crumbling infrastructure sitting beside a pipeline of federally blessed "improvements."

Federal highway law insists that states "use or lose" their apportionments.[28] Matching rules and performance targets push agencies toward projects that look ambitious, not necessarily those that make fiscal or practical sense. Every governor wants to cut a ribbon, not seal a crack. And when Washington covers up to ninety cents of every dollar, no rational DOT can say no.

The outcome is predictable: spending without strategy, expansion without necessity, and maintenance without priority. The numbers tell the story. Across the country, every state carries a massive backlog of unmet transportation needs, decades of deferred repair buried beneath waves of new construction.[29]

The pattern is national, but its details are local. A closer look at just four states — Minnesota, California, Texas, and Pennsylvania — shows how the incentives of federal funding distort the very choices they were meant to empower.

Minnesota: A System Built to Failure

Minnesota's 2022 ASCE Infrastructure Report Card reads like a ledger of structural failure. The state faces a $17.7 billion shortfall in its twenty-year highway investment plan, an annual gap of

nearly $900 million just to maintain existing roads. The Minnesota Department of Transportation (MnDOT) receives $4.5 billion under the Infrastructure Investment and Jobs Act, but those funds are overwhelmingly channeled into expansion programs, not preservation.

The numbers reveal the absurdity. MnDOT's local road improvement program awarded $80.5 million to 83 local projects, yet it received $835 million in requests, a tenfold gap between need and capacity. Meanwhile, the state has 874 bridges in poor condition and another 1,400 with reduced weight limits.

Within a decade, nearly half of Minnesota's bridge deck area will exceed 50 years of age. Even after counting IIJA funds and state bonding, Minnesota still faces a $4.2 billion bridge maintenance shortfall over the next twenty years.

MnDOT admits the system is broken. "One-time" federal infusions, the agency notes, force sudden ramp-ups and layoffs that waste capacity and undermine planning. Instead of steady stewardship, the agency lurches from boom to bust, building big in the flush years and deferring care in the lean ones.[30]

California: A Billion-Dollar Backlog

California's infrastructure deficit dwarfs that of most nations. The ASCE's most recent state report pegs the ten-year road maintenance backlog at $137 billion, of which only $52 billion is funded. Caltrans alone carries $57 billion in deferred maintenance, an amount projected to increase despite record federal support.

The state's bridge inventory is equally bleak. Over 4,400 bridges require repair or replacement at an estimated cost of $12.2 billion, yet annual bridge-maintenance spending is just $131 million, barely half of what's needed. The report bluntly warns that every $1 spent on preventive maintenance saves $4–$12 in future rehabilitation costs, but federal and state programs continue to incentivize expansion, not preservation.

California's pattern is the purest form of the federal incentive trap. With billions flowing through the Highway Trust Fund and IIJA, every district scrambles to find qualifying projects large enough to absorb the money. The easiest solution is to build new capacity: add lanes, widen interchanges, or launch "modernization" programs that double as rebuilds.

California faces a $137B maintenance backlog, yet federal incentives still steer funds toward modernization and expansion.[31]

Texas: Expansion Without End

Federal matching formulas make expansion irresistible; maintenance brings no political or fiscal reward. Between FY2020 and FY2027, the Texas Department of Transportation (TxDOT) plans $15 billion for pavement expansion projects but only $5.7 billion for maintenance, even as

congestion, flooding, and pavement failure worsen in the state's fastest-growing metros.

The American Society of Civil Engineers warns that Texas must "increase funding for repairs and maintenance to mitigate the high cost of deteriorated roads" and reform its revenue base, which still depends on a gas tax set in 1991.

Yet reform never comes. The state's Unified Transportation Program projects over $100 billion in capital spending, largely for new capacity. Federal matching formulas help make expansion irresistible: the more lane-miles Texas builds, the more federal dollars it can claim in future apportionments. Maintenance, by contrast, brings no political glory and no multiplier effect.

The result is an economy addicted to growth in its most literal form. The ASCE report warns of a "funding imbalance" that leaves vital repair work unaddressed even in years of record spending.[32]

Pennsylvania: Maintenance in Conflict with Expansion

Pennsylvania's 2022 ASCE Infrastructure Report Card captures the tension at the heart of the federal-state transportation system. Despite a decade of state reforms — most notably Act 89 of 2013, which generates about $2.3 billion annually for transportation — the Commonwealth still faces a $9.35 billion annual funding gap for state-owned highways, bridges, and multimodal facilities. Local governments face another $3.9 billion shortfall, expected to grow to $5.1 billion by 2030.

Pennsylvania's network includes 121,000 miles of public roads, a third of which fall under PennDOT's responsibility. Roughly 10 percent of roadway miles now rate as "poor" in surface condition, with persistent problems of potholes, rutting, and pavement joint deterioration requiring continuous short-term fixes instead of long-term rehabilitation.

Even as PennDOT acknowledges these shortcomings, funding mechanisms incentivize the wrong priorities. At every level — state, county, and municipal — maintenance budgets drawn from the Motor License Fund (fed by liquid-fuels taxes and fees) are "in direct conflict with the funding available for roadway improvements that add capacity". With federal and state programs rewarding expansion over upkeep, the system nudges engineers toward new projects rather than preservation.

The result is a structural imbalance that no infusion of IIJA funds can fix. The Infrastructure Investment and Jobs Act sends $17.8 billion to Pennsylvania, including $11.3 billion for roadways, but those dollars flow through the same formulas that have driven neglect for decades.

In PennDOT's words, "the funding of maintaining the existing roadways…is in direct conflict with the funding available for roadway improvements that add capacity." The incentives are misaligned: every new lane is rewarded, while every mile maintained is penalized.[33]

Across these examples, the pattern is unmistakable. Federal policy overwhelms state systems with temporary largesse, encouraging them to chase projects they don't value while ignoring the ones they desperately need.

States cannot decline the money, and they cannot change the rules. The perverse genius of the modern transportation program is that it makes waste appear responsible: spending down federal funds is success, even when it deepens local insolvency.

The United States has not failed to maintain its infrastructure for lack of resources. It has failed because its funding system rewards expansion over prudence and short-term transactions over long-term solvency.

4.6 Why Every "Historic Investment" Makes the Problem Worse

The Infrastructure Investment and Jobs Act (IIJA) was celebrated as a generational fix for America's infrastructure crisis.[34] But the bill did not emerge in a vacuum. It was the legislative descendant of the Biden administration's American Jobs Plan (AJP), a proposal that perfectly illustrated the structural contradiction at the heart of our national approach: we accurately diagnose the scale of our infrastructure challenges, then adopt policies that are mathematically incapable of improving them. IIJA simply magnified this dynamic.

The American Jobs Plan acknowledged that 173,000 miles of highways and major roads were in poor condition. It highlighted 45,000 aging bridges in need of repair. Yet despite its rhetoric of ambition, the plan proposed to "modernize" only 20,000 miles — a mere 11 percent — and repair 10,000 small bridges and just ten "economically significant" ones.[14]

Even if executed flawlessly, these investments could not meaningfully improve national conditions. Roadways degrade faster than such funding can stabilize them. Bridges age faster than this capacity can be replaced. From the very start, the math didn't work.

This mismatch extended across every category. The plan acknowledged a transit repair backlog exceeding $105 billion, then allocated $85 billion to "address" it. It identified Amtrak's mounting deferred maintenance costs, then spread $80 billion across expansions, upgrades, and miscellaneous priorities. It touted investments in water, wastewater, and broadband, but at levels far below the deficits its own documents described. In every case, the plan's diagnosis was larger than its "ambitious" prescription.

More troubling, the AJP reinforced the very incentives that created today's crisis. It relied on federal matching funds that divert scarce local dollars away from routine maintenance and toward federally attractive capital projects. It used the language of "modernization" to advance expansion, not repair. It revived earmarks that rewarded political geography more than public need. And it provided one-time capital investments that created decades of new maintenance

obligations for cities and states already struggling to care for the systems they have.

The IIJA did not correct the problems of the American Jobs Plan; it scaled down its ambitions while preserving its flaws. The AJP had already outlined needs far larger than the resources it proposed, acknowledging deficits it was structurally incapable of resolving. The IIJA then allocated even less than the AJP had proposed — despite the historic framing — guaranteeing from the outset that the funding would fall short of the shortfalls the administration itself had identified.[15]

Worse, Congress routed roughly ninety percent of IIJA surface-transportation dollars through the same legacy formulas that incentivize expansion over stewardship.[24] The act widened eligible uses without altering the incentives that cause maintenance gaps to grow. It treated capital investment as a substitute for maintenance investment, even though the capital program is the primary generator of long-term obligations. Nothing about the structure that produced the fiscal shortfalls was reformed; it was merely funded at a larger scale.

The consequences are visible in the most commonly cited national benchmark: the American Society of Civil Engineers' Infrastructure Report Card. Despite the largest federal infrastructure package in U.S. history, the national grade rose only from C- to C. More tellingly, ASCE's estimated "infrastructure investment gap" has grown across successive reports: $2 trillion in 2017, $2.6 trillion in 2021, and now $3.7 trillion in the 2025 report, the first since the passage and early implementation of the IIJA.[35] [36] [37]

This is not evidence of unmet needs. It is evidence of a system in which federal incentives enlarge liabilities faster than funding can repair them. When federal dollars encourage expansion — widening highways, extending systems, adding capacity — maintenance backlogs grow by design.

America does not suffer from a lack of investment. It suffers from a system in which investment — structured as it is today — makes the underlying problems worse.

4.7 Summary: The Cost We Can No Longer Ignore

For seventy years, the Highway Trust Fund has stood as both a symbol and an illusion: the promise that America could finance its infrastructure through self-discipline and user responsibility.

That promise has been broken in every possible sense: fiscally, politically, and culturally. The Fund no longer connects users to outcomes or costs to benefits. It has become a machine that spends because it must, redistributes because it can, and justifies itself through the act of motion.

The consequences are everywhere. At the national level, transportation spending now consumes the fiscal and physical capacity needed for the work of renewal, from housing to

energy, water, and manufacturing. At the state level, the same incentives that once rewarded prudence now punish it, forcing engineers to choose expansion over stewardship and short-term stimulus over long-term solvency.

What began as a social contract has become a social contradiction: a program designed for discipline that now survives on debt, a system meant to empower states that now dictates their choices, and a symbol of progress that now delays it.

The Highway Trust Fund was supposed to be the model of responsible government; instead, it has become the clearest case for reform.

The reckoning ahead is not technical. It is moral and institutional. If we continue calling this success, we redefine success to mean spending without purpose. Acknowledging the highway era is complete is the first step toward aligning infrastructure with today's needs.

5 A New Federal Approach — Interstate Stewardship by States

If the federal government were designing transportation policy from scratch today, it would never build the program it has. It would not create a system that spends more than it earns, funds projects of every type and scale, and operates without a clear hierarchy of goals.

It would build something disciplined, measurable, and self-contained, a program focused on maintaining the nation's backbone infrastructure while giving states the freedom to manage the rest.

The task now is not to reinvent the Interstate era but to finish it properly: by converting a spent construction program into a framework for long-term stewardship.

5.1 Re-Codify the Federal Mission

The first step is to rewrite the law itself. Titles 23 and 49 of the United States Code — covering highways and transportation — should be amended to define a narrow federal mission centered on three responsibilities:

1. Preserve and modernize the Interstate Highway System between cities, and other truly interstate freight corridors.
2. Maintain uniform national safety standards and data collection.
3. Coordinate disaster response and system resilience.

Everything else — urban transit, local roads, sidewalks, ferry terminals, decorative projects, etc… — properly belongs to the states and their local communities.

By stripping away seventy years of accumulated purpose statements and categorical grants, Congress would restore USDOT to what it was originally meant to be: a national steward of mobility between states.

Success would no longer be measured in dollars obligated but in the physical condition and safety performance of the national network itself.

5.2 Return the Gas Tax to the States

The federal gas tax was created as a user fee. Those who drive pay for the system they use. Today that compact survives only in rhetoric. The simplest reform is to restore it: pass nearly every penny of federal motor-fuel tax receipts directly to the states for Interstate maintenance.

Under a 100 percent gas-tax pass-through, states would receive formula allocations based on

present system size and traffic loads. States are responsible for maintaining Interstates within their borders, but otherwise have no other requirements for how transportation funds are allocated.

To ensure accountability, Congress would establish an Interstate Maintenance Performance Standard (IMPS), a concise set of metrics covering pavement condition, bridge sufficiency, crash rates, and lifecycle costs per lane-mile.

States meeting or exceeding these targets would retain full funding; those falling short would face partial withholds until they corrected deficiencies.

Equity and stability would be guaranteed through two mechanisms.

1. A hold-harmless floor would protect rural and low-traffic states from shortfalls, ensuring they can sustain basic upkeep.
2. An emergency reserve fund, equal to roughly 5 to 10 percent of annual receipts, would remain under federal control for rapid response to disasters or system-critical failures, replenished automatically from the next year's revenue.

The result would be a program that once again links payment, performance, and responsibility.

5.3 Light-Touch Federal Oversight

The goal is not to eliminate federal oversight but to make it useful.

Every two years, states would submit concise performance plans showing how they intend to meet IMPS targets and manage their Interstate assets over the next cycle.

USDOT's role would be to standardize data, audit results, and publish a transparent Interstate Health Dashboard accessible to the public.

Instead of thousands of grant applications, there would be one clear national report card. Federal oversight would shift from project-by-project approval to system-wide accountability.

Under this model, Washington's job is to verify outcomes, not to dictate methods. The engineers and managers closest to the roads would have the flexibility to decide how best to meet the standards, while taxpayers could see — mile by mile — what their money delivers.

5.4 Eliminate Legacy Spending Bloat

Decades of legislative layering have turned the transportation program into a catalogue of obsolete categories.

To restore coherence, Congress should sunset programs that no longer serve a federal purpose, including BUILD/RAISE grants, CMAQ expansion uses, NHPP expansion funds, and oversized

TIFIA loan programs. These initiatives consume billions yet duplicate state authority and invite political distribution disguised as policy.

Likewise, the mandate for Metropolitan Planning Organizations (MPOs) should end. Regional planning can and should continue, but it should be voluntary and locally financed, not federally imposed through formula compliance.

States and metro areas would be free to organize cooperative planning bodies as they see fit, without Washington scripting their governance or priorities.

Routine maintenance and focused safety retrofits should also be exempt from full NEPA review. The current process — often lasting years — treats resurfacing and guardrail replacement as though they were new interstate construction. Streamlining this layer would cut costs and delays without weakening environmental protection where it truly matters.

5.5 Retain Core Federal Public Goods

Even a leaner USDOT would have indispensable national roles.

- It should continue to fund research and standard-setting in materials science, traffic safety, resilience engineering, and data systems that benefit every state.
- It should maintain a small national disaster-response and resilience team, capable of rapid deployment when needed.
- And it should sustain a Technical Assistance Corps — federally funded experts embedded in state DOTs — to share best practices in asset management, safety design, and cost control.

These are the legitimate federal functions: knowledge, coordination, and emergency aid. Everything else can be decentralized.

5.6 Transition Plan and Timeline

Reform does not require upheaval. It requires sequence and discipline.

Phase 1 (Years 1–2):

Congress drafts and passes the statutory amendments to Titles 23 and 49. A small group of volunteer states pilot the full gas-tax pass-through and test the IMPS framework.

Phase 2 (Years 3–4):

The model scales nationally. All states receive direct allocations, legacy grant programs begin to sunset, and USDOT launches its centralized data-audit function.

Phase 3 (Year 5 and beyond):

Performance results are evaluated. States meeting standards retain full autonomy; those falling short face corrective plans or proportionate funding withholds.

This system restores accountability while allowing states and local governments to tailor solutions to their own conditions rather than to Washington's categories. By eliminating dozens of prescriptive federal programs, states gain far greater flexibility to direct resources toward the needs that matter most in their communities, whether that is basic road maintenance, bridge rehabilitation, safety improvements, resilience investments, or strategic right-sizing of overbuilt corridors.

For local governments in particular, this shift is transformative. Instead of chasing federal grants that reward scale and expansion, cities and counties would be empowered to invest in the type of high-return projects that strengthen neighborhoods: safer intersections, street repairs, drainage upgrades, and multimodal improvements calibrated to local patterns of life.

The removal of federal one-size-fits-all requirements reduces administrative burden and frees planners and engineers to respond quickly to changing economic conditions, emerging industries, and shifting mobility preferences.

Savings from eliminated legacy programs flow into the resilience reserve and national R&D, supporting innovation without dictating local priorities. Within five years, the United States would have a transportation program that is smaller, more flexible, and more accountable than at any time since 1956, one that supports states and communities as partners, instead of managing them as recipients of federal largesse.

5.7 Conclusion: Restoring Purpose to the Federal Role

This approach would do more than fix a funding model; it would rebuild trust between the federal government and the states.

By returning authority where it belongs and limiting Washington's role to clear national interests, Congress would transform a sprawling subsidy system into a compact of stewardship.

The gas tax would once again mean something. The federal program would have a discernible mission. And the nation would finally close the loop on the Interstate era, not by building more, but by maintaining what matters.

Within a decade, this approach would produce fewer press releases but smoother roads, lower long-term costs, and state transportation systems capable of saying "no" to projects that weaken them.

Mission Accomplished.

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